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Ref: Protean/Secretarial/2026-27/31

August 7, 2026

To,

BSE Limited ("BSE")
P.J. Towers, Dalal Street,
Fort, Mumbai – 400001

Scrip Code: 544021

National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex, Bandra (E),
Mumbai – 400051, India

Trading symbol: PROTEAN

Dear Sir/Madam,

Subject: Transcript - Earnings Conference Call on Company's Operational and Financial Performance for Q1FY27

Pursuant to Regulation 30 read with Schedule III and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and in continuation to our letter dated July 28, 2026, please find enclosed herewith Transcript of Earnings Conference Call on Company's Operational and Financial Performance for Q1FY27, held on Tuesday, August 4, 2026.

This is for your information and records.

Thanking you,

Yours truly,

For Protean eGov Technologies Limited

MAULESH J KANTHARIA
Digitally signed by MAULESH J KANTHARIA
Date: 2026.08.07 16:04:32 +05'30'

Maulesh Kantharia
Company Secretary & Compliance Officer
FCS 9637

Encl.: As above

"Protean eGov Technologies Limited Q1FY27 Earnings Conference Call"

August 04, 2026

MANAGEMENT: **MR. AJAY RAJAN – MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER**

MR. V. EASWARAN – WHOLE TIME DIRECTOR AND CHIEF OPERATING OFFICER

MR. RAKESH DOSI – CHIEF BUSINESS OFFICER

MR. SANDEEP MANTRI – CHIEF FINANCIAL OFFICER

MS. PUSHPA MANI – HEAD, INVESTOR RELATIONS

Moderator: Good day, and welcome to Protean eGov Technologies Q1FY27 Earnings Conference Call hosted by Go India Advisors. As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Ms. Pushpa Mani, Head, Investor Relations, Protean eGov Technologies. Thank you, and over to you, ma'am.

Pushpa Mani: Thanks, Sanya. Good evening, everyone. I welcome you all to the Q1FY27 results discussion. You must have received the results, press release and the investor presentation of the company, which is available on BSE, NSE and as well as on the company's website. As usual, we will start the forum with the opening remarks by our MD and CEO, followed by CFO and then we will open the floor for the question-and-answer session. If any of your questions remain unanswered, you may reach out to us afterwards.

The management on today's call would be represented by Mr. Ajay Rajan, Managing Director and CEO; Mr. V. Easwaran, Whole-Time Director and COO; Mr. Rakesh Dosi, Chief Business and Products Officer; Mr. Sandeep Mantri, Chief Financial Officer; and myself, Head, Investor Relations.

Before we begin, I would like to mention that some of the statements in today's discussion may be forward-looking in nature, and we believe that the expectations contained in these statements are reasonable. However, these statements involve a number of risks and uncertainties that may lead to different results.

With this, I invite our Managing Director, Mr. Ajay Rajan. Thank you, and over to you, sir.

Ajay Rajan: Thank you, Pushpa. Good evening, everyone, and thank you for joining us for our Q1FY27 earnings call. Within two months into the organization, it's a privilege for me to be here in the first interaction with you as the MD and CEO of Protean. For those who don't know me, I have spent over 3 decades in banking between 21-plus years with Deutsche Bank, a large global bank and close to 9 years in YES Bank, one of India's most digital savvy bank.

Most of my experience has been spent building and scaling businesses. At one point, as you're all aware, rebuilding one. I have been part of the management team that helped ride YES Bank through the 2020 crisis, rebuilding the franchise and most importantly, rebuilding the trust with customers, regulators and investors. That experience taught me 2 things that are directly relevant to the role I took over at Protean.

First, that institutions are ultimately valued for the trust they hold; and second, that innovative mindset with the right product solutioning, disciplined execution, sharp capital allocation and relentless focus on profitability is what helps build a strong franchise. Few organizations have had the privilege of contributing to platforms that touch the lives of millions of citizens while simultaneously supporting economic growth and institutional transformation.

For over 3 decades, Protean has been that quiet custodian of India's digital trust, having built digital public infrastructure at population scale for the country and now taken steps towards globalizing these capabilities in line with India's vision of becoming a global exporter of DPI. To put some tangibility in this statement, let me share some numbers.

Protean has issued more than 58 crore PAN cards till date, opened more than 9 crore pension accounts across NPS and Atal Pension Yojana, completed over 1,500 crore online PAN validations, 250 crore e-KYC transactions, 400 crore Aadhaar authentications and 70 crore eSigns till date. This proves that the real infrastructure is not always the servers or the APIs. It is the trust earned transaction by transaction, and that trust is Protean's moat, which we have earned over 30 years.

Coming to the agenda of this call, I would like to use this opportunity to not only share the Q1 financial update, but given that it's my first investor call, I'm sure all of you would like to hear from me about the future we intend to create. Protean possesses something truly special, talented and a committed team with deep institutional knowledge and a legacy of building innovative population scale DPI over 3 decades.

At the same time, I also see that the organization at an important inflection point. The opportunities before us are immense, but so are the expectations of our customers, regulators, shareholders and the ecosystem partners. So the next phase of our journey will require us to combine our legacy strengths with newer ideas, sharper and more agile execution, stakeholder centricity and a focus on outcomes. So, let me start with sharing with you some immediate strategic priorities that I have set for myself.

First is deepening the core franchise with sharpened execution. We are continuously reviewing our portfolio and will allocate capital and bandwidth towards businesses where returns are the strongest. Our focus will be on high-margin businesses and product profitability by building adjacencies around our core strength, which is the DPI.

Second, we are closely relooking at our cost structures and using AI to drive efficiency across the organization while also embedding AI into making our product solutioning more intelligent and intuitive. Third, we are sharpening our approach towards international expansion in a very focused partnership-led model in a defined set of geographies with sharply identified solutions.

In order to do all this, we will also pursue inorganic growth opportunities that create long-term strategic value, strengthen our capabilities and contribute meaningfully to our top line, but more importantly, our bottom line. The earlier chapter of India's DPI story was about building the foundational rails. We saw solutions around identity, payments, data. And as you're aware, Protean helped built several of them. The country is now entering into its second chapter, which is all about value-added sectoral services and AI-driven intelligence that ride on these rails.

And I'm putting deliberately trust on AI here since DPI and AI can create together something which is profoundly different. A living public infrastructure that is predictive, personalized, preventive and more importantly, citizen first. AI can enable services to find citizens based on their preference and consent instead of today's citizens having to search and wait for services to be rendered. That is the future that Protean is building and will continue to want to build.

I'll now spend some time on our Q1FY27 performance before I get into the details of the near-term, medium-term and long-term strategy for Protean because that I'm sure is something that each one of you would like to hear given this is the first call. Q1FY27, is followed by a very strong Q4FY26, but Q1FY27 has been a mixed quarter for Protean.

We reported a resilient and steady operating performance in terms of revenue from operations, which grew 19% YoY to INR251 crores. EBITDA stood at INR28 crores in Q1FY27 compared to INR45 crores in Q1FY26. This reflects a decline of 38% year-on-year and an EBITDA margin of 10%.

The margin for this quarter was primarily impacted by some upfront investments worth roughly INR18 crores, which we incurred towards the implementation of some of our prestigious RFP-led mandates. In addition, we also saw the margins getting affected by cost inflation driven by ongoing geopolitical tensions, which resulted in higher procurement costs for technology, hardware, white goods and the key inputs required for some of these projects.

Since these mandates are currently in the deployment phase and have not yet reached steady-state revenue generation, the associated costs were incurred ahead of revenue realization, temporarily impacting the profitability.

On a normalized basis, however, excluding these investments, the EBITDA for the quarter would have been approximately INR46 crores, which would have translated to EBITDA margin of around 17.2%. The company remains confident that these investments will begin contributing meaningfully to revenue in the coming quarters, which will result in improved operating leverage and margin recovery.

Moreover, our balance sheet continues to remain strong with zero debt and more than INR800 crores of cash and marketable securities. This gives us the flexibility to absorb these costs and also invest in strategic opportunities that will help us boost our product capabilities and resulting revenue and profitability. I'll give some details on the way businesses have delivered.

Our Tax Services, which is a source of transactional revenue for us, remained largely stable year-on-year despite the industry-wide decline in PAN issuances. This temporary decline in industry volumes can be attributed to certain change in income tax rules, which required applicants to submit additional document for date of birth proof since Aadhaar was no longer accepted for this purpose post honorable Supreme Court judgment.

This change led to a non-digital flow, thereby causing a 12% decline in overall PAN issuances in the country. Despite this, however, Protean showed resilience in its distribution capabilities, and we gained 275 basis points in market share, moving from 59% in FY26 to 62% in Q1FY27, while we issued over 1 crore PAN cards.

Our CRA Services, which generates both annuity and transactional revenue, continues to present a significant long-term opportunity. We onboarded around 3.9 million new subscribers during the quarter. We captured 95% of incremental subscriber additions. And I'm also proud to share that we onboarded more than 1,000 new corporates, the highest ever in a single quarter since inception. We continue to hold a dominant 97% share across NPS, APY and UPS and are the primary CRA for the unified pension schemes.

Another encouraging development has been the NPS Vatsalya, which gained strong traction following revised guidelines offering greater withdrawal flexibility. While the total scheme subscriber base itself crossed over 2 lakhs, 78,000 of that was added by Protean during the quarter. So while maintaining full focus to retain and grow our government segment where we hold dominant position, we will accelerate our growth in the non-government segment where overall market penetration is low, but the annuity opportunity is the largest.

Our highest ever corporate onboarding in a single quarter is the early proof of that focus. More importantly, the Retirement Registry as a Service is a business where we will leverage our 2 decades of dominant experience and double down internationally, enabling governments across the world to modernize the retirement system using India's and Protean's proven experience.

Third is our Identity Services, which is a strong source of transactional revenue. We delivered 16% revenue growth year-on-year, supported by 20% combined volume growth. So we remain the only company in the country, which offers all 4 foundational identity services, and we are well positioned to remain and grow as a preferred partner for the BFSI ecosystem, which is primarily driving these volumes.

I want to call out here that businesses like eSign and more importantly, eSign Pro, which is the complete digital documentation workflow solutions from workflow to stamping to signing. This is a unique moat for Protean and is a massively scalable and a very profitable opportunity both domestically and internationally. BFSI especially and every government, enterprise and institution has the opportunity and need to digitize this documentation workflow. So, I remain very confident that we will be able to monetize eSign Pro in the going future very, very well.

I'm also encouraged by our new initiatives, which continue to deliver robust outcomes. This contributed 17% of our quarterly revenues as compared with 10% in FY26. This is in line with our stated objective to diversify our businesses and revenue lines, and this will continue to remain a key focus area. Some of the drivers here will be the strategic mandates like CERSAI, CKYC, Bima Sugam, Aadhaar Seva Kendra, the agri stack. So, these are not only core DPI implementation. Most importantly, each of them significantly opens up adjacent value-added opportunities for us where we can monetize on top of some of these initiatives.

A quick update on the Aadhaar mandate. We have rolled out 75 ASKs across 24 states and union territories as of July '26. We expect to complete the implementation by Q3 and revenue from these centers has already commenced, and it gives us visibility into a recurring transaction-based revenue stream.

Now, Sandeep will provide more details in terms of numbers. But I would like to spend some time now in terms of our forward strategy.

So, as I think about our present and future, I'm seeing Protean's business through 3 important pillars. The pillar #1 would be scaling our DPI proposition through DPI 2.0, which is about strengthening the trusted platform that has defined Protean's legacy and accelerating the new foundational digital rails across sectors such as financial service, insurance, agri, health, education, commerce. So more sectoral will be the focus on DPI 2.0.

The second pillar for us would be monetizing our core capabilities through solutioning for the enterprise digital ecosystem. This we will do by building value-added AI-driven intelligence layer on top of those foundational rails delivered by a bundled solution-led approach, which solves meaningful problems for governments, institutions and enterprises.

The third strategic pillar would be our global expansion, which is taking India's and Protean's DPI capabilities to the global markets. Each of these pillars, as you would realize, present significant opportunities, and we will ensure that we innovate responsibly, more importantly, deliver consistently and execute with speed, all while maintaining financial discipline. So let me spend a few minutes on what we will do differently now.

In terms of our core strength, which is DPI, we will apply both domestically as well as internationally a concept of DPI-in-a-box approach. This will be the most scalable expression of the solutioning approach that I spoke about earlier. So this approach, what does it mean, right? It will be providing modular digital building blocks that a government can adapt for its own needs.

For 3 decades, you will realize that Protean has built nearly most of these blocks today, whether it is digital identity, master registries for citizens, consent-based data sharing across frameworks, real-time verification services, secure data exchange, pension systems, tax administration platforms, compliance by design, all of these Protean has had a role to play in all of these, right? But when you look at the DPI box approach, we package these now as a modular, interoperable, configurable and scalable stack.

The objective is to take the benefit of a bundled citizen service proposition, accelerate implementation while retaining flexibility and ownership rather than just commissioning a DPI built from scratch. So this approach, we will deploy both in India as well as in the international markets. And this will be a very differentiated, but a more comprehensive approach where the intent will be a ready-to-deploy digital foundation rather than spending time on a multiyear integration program.

In terms of our approach to monetize the DPI and creating value for the ecosystem, we will also move from a product selling approach to a solution-led approach. The future of DPI, I believe, will be defined by how effectively we convert the access which we are creating into outcomes.

And this, I believe that success will be measured by how effectively our platforms improves lives and expand the opportunity for citizens and businesses. The rails that we built carry enormous volumes, and I alluded to some of those volumes at the starting of my session, but volume on its own is not value.

If we simply chase more transactions of the same kind, we will grow revenue, but the margins will not grow. And I'm sure a lot of you have thoughts on that, right? So that is exactly what I am planning to address by others. So this is not the business we intend to build. We want to build a business where the margins are profitable. So let me make this whole approach that I mentioned about with -- let me make it real with 2 examples.

Today, if you look at a bank and for us, banks, banking or financial institutions actually reflect a very, very large significant opportunity, which is where the fintechs are building a lot of solutions, right? So that is exactly what we would like to do. So today, you look at a bank, it operates today in terms of onboarding customers digitally.

But for that, they take e-KYC from one partner. They may take document verification and execution from another partner. They may take fraud and AML screening from a third partner. They may take a bank statement analysis from a fourth partner, eSigning and stamping of documents from a fifth partner and CKYC reporting from a sixth partner.

Then they build and maintain the plumbing between all of them. And that fragmentation is expensive for them. It is fragile and it accumulates technical debt, which in every handoff between systems becomes a target for a customer drop-off. And I have seen it for 30 years on the other side that this is a real life situation which every financial institution in the country today grapples with.

So, this is where Protean with its dominance in some of these foundational products will adopt a client-centric approach by bundling the right combination of our platforms, APIs and most importantly, the delivery capability to deliver an end-to-end solution.

So, when you look at what I spoke earlier, all the underlying components, whether it is identity, verification, consent, signing, the registries, everything gets configured differently for each customer. And this changes the conversation from selling a product to owning an outcome.

By bringing together all this technology domain expertise and execution capabilities into an integrated solution, we not only achieve scalability of our offerings, we deepen our customer relationship, we create a greater stickiness. And most importantly, we build sustainable, profitable, high-margin business.

Another example, if I may take is retail lending. And this is where maximum volumes are seen by banks, NBFCs, et cetera, right? Now when a customer applies for a personal loan on a lender's app, this is where our CKYC solution with Aadhaar authentication can help establish the identity in seconds. Then with the customer consent, Protean's account aggregator can pull a bank statement, which our analyzer can convert into an income cash flow view for the underwriter.

Through our eSign Pro, the sanction letter, loan agreement can be generated from a template, stamped with the relevant state eStamp and then eSigned with the Aadhaar, making the lender ready for disbursement.

Now, this is where Protean in a consented and intelligent framework with one journey, one contract, one integration can help eliminate the friction which today exists across every financial journey.

Earlier, what used to be multi-vendor, multi-month integration program can become a very seamless one-step integration. So that's the whole point, right? The building blocks don't change, but the confirmation does. We are also -- how does it impact our margins? We are moving from being priced per API call to being priced per journey, per outcome, which becomes a very different conversation fundamentally on value and which leads to better margin improvement.

So our mix shift from higher-margin value-added services and away from just pass-through volume, which currently is what the case. Also, more importantly, the client stickiness improves and which is where our product penetration also improves with the ecosystem.

In summary, we intend to move from volume and growth to value creation, better margins, better profitability, deeper, long-lasting customer relationships. And everything that we build in this layer will be distributed through a multi-sector API service platform, which we will deliver in a sandbox-enabled ready-to-consume workflow.

And why do I believe that Protean is most uniquely placed to creating this digital ecosystem on top of the foundational DPI rails because we own or operate almost every component required end-to-end under the relevant regulatory license. And for the rest, we always can have a partnership approach where we bring in the right partner and in due course, maybe the right acquisition to bring it in-house.

The third pillar will be our international strategy. And this, we will be very deliberately focused and prioritize a smaller number of geographies where the need is real, funding is identifiable and where our reference credentials adds value for Protean. More importantly, we will enter it in a light touch model through -- which is partnership-led, capital-light, and we will work with multilateral institutions and local system integrators in those locations.

The more important part is the whole DPI-in-a-box approach, which I detailed about. I see a big opportunity for us to contribute to the global digital transformation initiatives from a Protean perspective. So this export of India's model of digital democracy will be a generational opportunity in my mind as positioned as India's national trust architect for which India -- Protean will be one of the most natural carriers for the globe.

Another area that I would like to draw attention for everyone is the CKYC mandate, which we are building for them. And I believe this will be a game-changer mandate. Today, a citizen must prove who they are again and again to the bank, insurer, mutual fund, every financial institution. Same documents, same friction, same cost every time, vision of CKYC is simple, prove it once and with consent, carry the trust everywhere, build trust once, reuse it 1 billion times.

And this is what Protean is building under the CERSAI mandate, maintaining the next-generation central KYC record registry, API-first cloud native overall, which is migrating over 1 billion-plus records backed by all the 4 financial regulators.

But that's only one side of the equation, which is the sovereign record of the financial identity. The equally or more valuable side is the other side because once the registry is modernized, every regulated entity in the country will need to connect to it to search, download, report, build onboarding journeys on top of it and digitize their own processes. We have built that side also, not only the CKYC APIs, but also bundling them with our broader API stack to give comprehensive proposition to our BFSI customers who are going to be the biggest users of this.

We are not only building the database, we are building the on-ramps onto it. And while the registry was a fee mandate, the on-ramps will be a mix of recurring opportunity across thousands of regulated entities and also certain fee-based mandates. So operating the trust registry and monetizing the access layer, that is what we intend to replicate across all our infrastructure assets. So this is going to be the approach on every DPI mandate that Protean is running.

On the cost and capital allocation side, I also want to assure everyone, and I'm preempting maybe some of the questions which will come up. So I would like to assure everyone that we are also reviewing our portfolio through clear capital allocation lens. Some of our businesses will depend on the pace at which wider ecosystem matures. But while we may decide to stay passively invested, we will calibrate our incremental energy towards some of these initiatives where we see maximum -- immediate revenue maximization.

Cloud and account aggregator, both are in today's day, a small business for now, but remains strategically relevant assets for us, and we are very actively sharpening the commercial model for both of them.

Our MeitY-certified sovereign cloud, in particular, is genuinely differentiated for mission-critical and regulated workloads, and it is an important enabler of this sovereign by design proposition we take to our government customers. Our approach here will be to look at strategic partnerships and investments, which will build a clear path to scale and profitability.

So, to conclude, Protean has spent 30 years quietly reliably building the foundations of India's digital future. That work has made us India's national trust architect. Our ambition now is to carry that role forward from building rails to building the intelligent layer above them from products to solutions and from India to the world. My commitment to you is to pair these 3 decades of trust with sharper execution, stronger profitability, more importantly, a bolder ambition and in doing so, create durable long-term value for all our stakeholders.

I would also encourage you to go through our investor presentation where we have articulated our forward strategy and long-term growth road map in more detail. And I really thank you sincerely for the confidence in Protean. Now, I would hand over to our CFO, Mr. Sandeep Mantri to take you through additional details on the financials.

Sandeep Mantri: Thank you, Ajay. First of all, let me welcome you to Protean and the first earnings call of Protean. It's very detailed explanation, quite helpful. And my last 2 months experience is quite enriching in terms of laying down the strategy so clearly for Protean for the next many years. With this, good evening, everyone. Thank you for joining us today. Before I discuss our financial performance, let me briefly touch upon the industry backdrop.

The digital public infrastructure industry in India continue to benefit from strong policy support, increasing digital adoption across government and regulated sectors. We are seeing growing demand for interoperable API-led platform that enable identity, onboarding, authentication, payment and data exchange at scale.

As institutions move from standalone digital initiative to integrated digital ecosystem as talked by Ajay, the opportunity for the trusted infrastructure provider is expanding. With our leadership position in tax, pension and identity services, along with investment in next-generation DPI platform, we believe that Protean is well positioned to participate in this structural growth opportunity through its solution-led approach.

Now let me take you through the financial performance for the first quarter ended 30th June 2026. I'm pleased to share that our quarter-on-quarter performance aligned with this trend with healthy volume across most of the businesses, driven by market share expansion, growing traction in our value-added offering and other new initiatives. Revenue from operations for Q1FY27 stood at INR251 crores, which is an impressive growth of 19% YoY as compared to INR211 crores in last year same quarter. This was primarily driven by continued momentum across most of our core businesses as well as new initiatives.

EBITDA for the quarter stood at INR28 crores with an EBITDA margin of 10% compared to INR45 crores and a margin of 18.7% in the corresponding quarter last year. The decline in margin was primarily driven by upfront investment of around INR18 crores incurred towards the implementation of multiple RFP mandates.

In addition, margins were also affected by cost inflation arising from ongoing geopolitical tensions, which resulted in high procurement costs for technology, hardware and software, white goods and other key input required for implementing these projects. It is important to note that these strategic mandates are currently in the development phase and are yet to reach steady state revenue generation. As a result, a significant portion of the implementation cost has been recognized ahead of the corresponding revenue creating a temporary impact on profitability.

On a normalized basis, excluding these upfront investments, EBITDA for the quarter would have been INR46 crores, translating into an EBITDA margin of around 17.2%, broadly in line with our historical operating performance. Profit after tax for the quarter stood at INR6 crores with PAT margin of 2.2%.

We delivered an earnings per share of INR1.4 crores for Q1FY27, but as EBITDA was impacted by onetimer, so the profit is. We remain confident that as these projects progress towards full-scale deployment and revenue generation over the coming quarters, operating leverage will improve, supporting a recovery in margins while strengthening the company's long-term growth trajectory.

From a cost perspective, we continue to maintain discipline while investing selectively for future growth. Employee benefit expenses increased primarily due to hiring for the Aadhaar Seva Kendra project and incentives, while other expenses reflected investment in infrastructure, technology and project execution. At the same time, we are actively reviewing our cost structure and identifying opportunity to improve efficiency through greater use of technology and AI across the organization, which was highlighted by Ajay also in his speech.

While these investments have impacted near-term profitability, they are being made against opportunity that we believe can create meaningful revenue streams, recurring revenue stream as these mandates move into steady-state operations.

Our focus, therefore, is to ensure that the growth we pursue must translate into sustainable and profitable growth over the medium to long term. An important part of this approach is our shift from pursuing volume growth towards creating better value from our platform and capability. We are increasingly focused on a higher-margin value-added solution and integrated offering that can deepen customer relationships, improve revenue quality and strengthen profitability.

Our approach to capital allocation will also remain disciplined. We will continue to evaluate our portfolio and prioritize investment opportunity where we see the strongest potential for revenue growth, margin improvement and long-term value creation for the company.

From a balance sheet perspective, we remain in a strong financial position. As of June 30, 2026, the company had more than INR800 crores in cash equivalent and marketable securities and remains completely debt-free. This provides us with significant flexibility to invest selectively in technology, innovation, strategic opportunity and growth initiatives while maintaining financial resilience.

To conclude, while the current quarter reflects the near-term impact of investment being made to build the next phase of growth, our focus remains very clear; to strengthen execution, improve operational efficiency, enhance the quality of our revenue and drive sustainable profitability. With our strong balance sheet, increasing contribution from new businesses and a robust pipeline of DPI-led opportunity we remain confident in our ability to build a stronger and more profitable Protean and deliver sustainable long-term value for all our stakeholders.

With that, I conclude my remarks and request the moderator to open the floor for question and answers. Thank you so much.

Moderator: The first question is from the line of Rohan M from Equirus Securities.

Rohan M.: Sir, firstly, during your opening remarks, you had talked about inorganic growth opportunities. So which segments or which areas are you exploring those opportunities?

Ajay Rajan: we are right now looking at all opportunities, which meet certain objectives for us, which is either, it improves or help improve our processes or reduces our cost or it adds directly to our top line or more importantly, bottom line. I'm not at the liberty right now of sharing specific details. But as we speak, we are looking at a couple of very strong inorganic opportunities, which meets these objectives that I have mentioned. So, right now, we are focusing on something which will either help me on my top line, bottom line or reducing my cost through automation.

Rohan M.: Sure, second is on Aadhaar Seva Kendra. With respect to all the rollout that is expected in various districts, is the people cost already baked in into this quarter numbers? Or can we expect the employe expenses to go up further? And does the 1Q number also factor in the wage -- the salary hikes that organization would have taken?

Sandeep Mantri: Yes. So, for Aadhaar Seva Kendra, people costs have gone up for most of the Aadhaar Seva Kendra, but still there are quite a few Aadhaar Seva Kendra, which are yet to be operational in quarter 3. So for those Aadhaar Seva Kendra, cost will come in Q2 or Q3 depending on the rollout, but the hiring is on.

Rohan M.: Right. So, what kind of an increase can we expect by Q3FY27 on employee expenses?

Sandeep Mantri: On the employee expenses on account of Aadhaar...

Rohan M.: So overall employee expenses by Q3FY27, just to get a sense.

Sandeep Mantri: So overall employee expenses, I would not be able to tell you right now because there are a lot of Aadhaar Seva Kendra where the hiring is still going on. And there will be a lot of changes. As I said, in strategy towards building cost initiatives and achieving more and efficient initiatives to reduce the cost of operation. However, the cost except Aadhaar the cost will -- except Aadhaar Seva Kendra employees, the cost will remain same.

Rohan M.: Okay. So just want to ask the other way, out of the INR69 crores, what would be the cost of Aadhaar Seva Kendra right now?

Sandeep Mantri: I can't specifically tell you because we are not disclosing segments.

Rohan M.: And on the Aadhaar Seva Kendra which have gone live in terms of the revenue trends there, if you can just touch base on for the centers which are already operational for more than 1 month, like how is the margins that is shaping up? And are the revenues in line with what was the original expectation when the contract was awarded to us, which is the district mapping of ABCD?

Sandeep Mantri: Rohan, very early to say right now because the Aadhaar Seva Kendra are operational for last 3 - 4 months. So, we need to see the trend for at least one more quarter, and then we can provide some visibility on what kind of revenues. But having said that, the initial estimates are in line with our expectations.

Ajay Rajan: So, we had always, Rohan envisaged a ramped-up model because once the setup happens, it takes a certain bit of time for people to start coming in and volumes getting ramped up. So, whatever estimate that we had done at the time of the RFP, the initial assessments are in line with those expectations. So, the numbers seem to be on target, and that's in line with what we had expected.

And maybe since you asked specifically on the inorganic, I'll give you a little more color on that. See, for us, the overall BFSI segment will be one of the most focused segment from an enterprise value creation perspective. So in my entire speech, I also alluded to the intelligence layer that we are creating. So a lot of the DPI that we have created in terms of benefit to the citizens, it will eventually have to be through culmination of some financial services for citizens or enterprises.

So very broadly, Rohan, the acquisition that we will look at will be in this space so that it fastens our go-to-market towards delivering some of those solutions and start quickly generating revenue and more importantly, start generating profitability by us having the enablement to deliver some of those solutions to the enterprises or BFSI segment in a very fast GTM. So that just to the extent that I can share right now specifics, I'm being transparent with you that this is the area that we are looking at.

Rohan M.: Sure. And lastly, on the PAN 2.0 readiness, like would we need to make any changes in the process or the offering that we do or maybe the people team structure? Like is there something required at our end so whenever PAN 2.0 goes live, we get some share of the revenue?

Sandeep Mantri: Very early to say right now. I think PAN 2.0 is still away. So, PAN 2.0, as of now, we are not required to make any changes in our platform, but we will see how things operate.

Ajay Rajan: And again, from a clarity perspective, I think in the earlier calls also, this has been discussed and shared that a lot of the volumes or in fact, bulk of the volumes continue to come through assisted model. And even if you look at this quarter, while it was an aberration because of the form friction, but a, the volumes every quarter, we have only seen increasing in the assisted mode, which is basically our core distribution capabilities.

And more importantly, if you see even in a falling overall number quarter, which is this quarter, where the overall number went down, but Protean's share increased close to almost 275 basis points increase in Protean share happened. So while we will look at more visibility in terms of how exactly PAN 2.0 will pan out, but we remain confident that we will remain relevant in this piece, of course, but more clarity on that as the date comes in, I think we'll get more clarity around that.

Sandeep Mantri: And Rohan, to further answer your question on employee benefit expenses, our endeavor will be to see that we create a scalable organization so that when we grow from here, we did not to hire additional people to deliver the projects or the revenues. So at the end of the year, I think we will see some cost reduction, while it may be offset by the increments which we give. Otherwise, aside ASK, I don't see any major increase in employee expenses.

Moderator: Your next question is from the line of Deepak Agarwal from Param Capital.

Deepak Agarwal: Sir, my question was, like investors generally we will would want to see consistency. But the fact is if you see over last 5 to 7 years, we have grown from about INR800 crores top line to INR1,000 in the last 5 to 6 years from 2019.

Our EBITDA margin profile used to be at 23% which has deteriorated to about 11% now. Would love to hear your thoughts in terms of where do you think this margin profile is sustainable. For this we are investing ahead of, as we have mentioned in the press release as well for newer projects. In the longer run sir, where do you see the EBITDA margin for the overall entity stabilizing once you are through with these upfront investments?

Sandeep Mantri: Deepak, unfortunately, this quarter was impacted by one timer, which was about INR18 crores. Otherwise EBITDA margin was in the range of what we were declaring, it was consistent. But we need to make some of these investments to create a better future for the company.

Therefore, these costs are front-loaded, while the benefit of these investments or the spend will come into the future. I'm not so worried about 1 quarter results, but I am more excited about the future, which we are going to create for the company in along with the leadership of Ajay.

Ajay Rajan: It's a very valid question from your side. And if you actually look at the whole way when I spoke about in the first 30 minutes, you will find that every approach that I spoke about is towards making sure that we are moving from a product approach to a solution approach.

The primary reason for doing that is that that enables us to do a, onboard more customers because then you are more curated, more customized, have a better proposition for the client. But more importantly, we move from being a transactional engagement for the client to a more solution-driven strategic engagement to the customer, which enables our margin improvement.

So, when you go and sell one product versus when you sell a bouquet of multiple products packaged as a solution, your stickiness, your margins, everything improves. And that is really what the approach will enable. And that is how, at least in my 3 decades of even banking experience, we have worked on doing that, and that's a very proven successful model.

Second is the global business and of course, helped by some of the inorganic partnerships and acquisitions that I mentioned will be aimed towards making sure that you are generating higher margin in geographies where there is a better price point for some of these solutions that we are going to do.

So, like Sandeep very rightly mentioned, while, of course, we do appreciate the fact that margins have pretty much been consistent or maybe to some extent, deteriorated over the last few years. But what we can definitely look forward with this new approach and outlook is that we would like to double down on higher-margin businesses. And that hopefully should reflect very soon once the investment period is over in tangible financial outcomes for the company.

Sandeep Mantri: And as explained in my earlier calls as well, I see the margins are going to improve substantially from here in next 2 to 3 years it will be a different margin trajectory.

Deepak Agarwal: Got it.

Ajay Rajan: If you look at the investor deck as well, you will find that the growth pillars clearly reflect the approach in terms of how we will grow and build our businesses. And that is with single objective of making sure that our revenue and profit growth is justified. So, rather than doing too many things, we will focus on a few champion solutions and products, which will be high margin, scalable and globally deployable.

Deepak Agarwal: Also like, if you look at E-Seva Kendras and you have been talking about you had rolled over like last 4 months. Again, from an investor context that although obviously, it's a large volume business, but the perfectionist, it will generally be a substantially lower margin business considering, it is quite competitive plus it's far more physical, right, compared to a product and a technology stack. So your thought there, sir. Is it like -- can it become really wave in. Is it that the margin there would not be substantially low?

Sandeep Mantri: The margin in Aadhaar Seva Kendra would not be substantially low, but as I said, we must see how the volume picks up in Q3 and Q4FY27 when these centers are stable and operational. Then only we could really figure out what kind of margin we will earn. But having said that, as I earlier said, these are not EBITDA accretive, but at least they will generate sustainable stable margins in the business. Other aspect to that is that we have to create adjacencies out of some of these projects, which will deliver higher and profitable opportunities for us.

Moderator: The next question is from the line of Vinil Shah from Dalal & Broacha.

Vinil Shah: My first question is that as we already mentioned that due to our higher upfront cost investment in Q1, we have had some margin impact. So, are there any additional costs expected in Q2 and the balance of FY27 as well?

Sandeep Mantri: None to my knowledge. The only thing which will have some temporary impact will be Aadhaar Seva Kendra that otherwise, I don't see any such onetimers going forward. So I think margin will get stabilized from Q2 or Q3.

Vinil Shah: As we have mentioned that we are trying to transition to a solution selling organization. So, bouquet of services that we are offering like the DPI-in-a-box and all. So, what is the internal time when the products will be ready? Like it will be out from the testing phase and ready for commercialization?

Ajay Rajan: So, these are seen most of these products are already foundational products that we already are delivering right. The DPI-in-the-box will be a modular approach of positioning these or selling this to the state governments, to international markets, et cetera. So in terms of delivery, it is an approach which we will sell and whenever deployment is required, it is immediately available for deployment in terms of, of course, the implementation time lines, which will obviously be there. But these are products and solutions that we have already built in some shape and form in various mandates that we have built so far.

Vinil Shah: Okay, sir. So, sir, any significant orders on customer that has already inquired about this, and we are looking at a good response from the customers about this?

Ajay Rajan: Absolutely, this whether it is internationally or even in discussions that we are currently having with various states, large states, this approach is absolutely in line with what the governments expect. The reason being every state or government today would like to touch or improve the life of its citizens in every shape and form, right, whether it is through a health solution or an agri solution or a DBT solution. So, when you go and provide an overall package to someone, it is obviously, there is a high level of interest to look at that deployment, right?

So, to your point, yes, there is interest when such approach is discussed. But like every large implementation, there will always be a lead time in terms of pitch to conversion or pitch to agreement. It might also go through an RFP process and et cetera. But as a concept level, this is really where we see that both from a government perspective as well from a company perspective and more importantly, from a citizen perspective, such approach will become very meaningful and wholeful.

Vinil Shah: Great, sir. Thank you so much and all the best for our future.

Ajay Rajan: Our CBO will also...

Rakesh Dosi: The traction on the enterprise side that Ajay talked about, we are getting very strong traction there. The pipeline looks very good and very well placed. So that's on the other enterprise side, where the composable layers have been created to offer product solutions and journeys. On the government side, as you know, it's a mandate and RFP process that we are participating in. So we are hopeful for some interesting wins soon.

Moderator: The next question is from the line of Manan Poladia from MKP Securities.

Manan Poladia: I understand that you may not be able to provide the economics or the breakeven for the Aadhaar Seva Kendra centers. But my question is with relation to the return on capital employed even at the breakeven level or even slightly above the breakeven level, if you could quantify something? And secondly, if you could quantify the amount of working capital we would require to put into that business even at the breakeven level. I think that would be really helpful, sir.

Sandeep Mantri: So, are you talking about Aadhaar Seva Kendra project?

Manan Poladia: Yes, the Aadhaar Seva Kendra project.

Sandeep Mantri: Because this is a managed operational project, so working capital will not be heavy in this, except the initial furniture offices, which we need to set up. Otherwise, this is a monthly recurring revenue. And all the routine expenses, except the CapEx part will be out of revenues.

Manan Poladia: Just a quick follow-up on that. So are you saying the billings from the government side are either on a monthly or a quarterly basis? Because I'm assuming when we are processing Aadhaar fronts, the upfront costs are there, right?

Sandeep Mantri: Monthly basis we will bill on a monthly basis based on the volumes which are there for each month. And our experience also, I think we are getting money in time from government.

Moderator: The next question is from the line of Bhavi Chauhan from Care PMS.

Bhavi Chauhan: Just 2 questions from my side. The first one is related to the other entity business that has witnessed a significant increase in this quarter. Could you provide that which segment have contributed to this?

Sandeep Mantri: You are talking about new initiatives?

Bhavi Chauhan: The other entities yes, new initiatives, I'm talking about the other business, which have been grown from INR11 crores to INR44 crores to INR42 crores.

Sandeep Mantri: This is primarily because of the one, RFP mandate some revenue recognized because of that. Second one is Aadhaar, wherein we started recognizing the revenue. And third one is our new products like RISE with Protean or eSign Pro, where we started getting some traction and therefore, the revenue is there.

Bhavi Chauhan: Could you quantify this? Like how much from...

Sandeep Mantri: I can't give a quantification or a further breakdown of new initiatives because we are not disclosing any subsegment for these. But these are the 3 key services within new initiatives, which has resulted into INR42 crores revenue.

Bhavi Chauhan: And the second question is related to the geopolitical issues which have impacted the margin. So if I look at the financials, the system implementation and support maintenance expense have been grown significantly. So is it -- this related to the geopolitical issues, so that I am not able to understand that how this cost is increasing related to this.

Sandeep Mantri: Yes. A part of this increase is because of geopolitical price increase in various hardware, software and technology products.

Bhavi Chauhan: So that is only the reason, right?

Sandeep Mantri: Yes, that is the only reason.

Bhavi Chauhan: So, excluding that, you have said that the INR18 crores is impacted on the EBITDA?

Sandeep Mantri: INR18 crores is impacted on the EBITDA because we as per accounting rules, we have to take these costs upfront. We can't deposit cost based on future revenues.

Moderator: As there are no further questions from the participants, I hand the conference over to Ms. Pushpa Mani for closing comments.

Pushpa Mani: Thanks, Sanya. On behalf of Protean, I would like to thank you all for taking time out and for your continued trust and support in us. We remain committed to delivering growth and value to our stakeholders. For any additional questions, please feel free to reach out to us, and we look forward to staying connected. Thank you.